

**DEPARTMENT OF COMMERCE**  

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**UNITED STATES BUREAU OF MINES**  
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**INFORMATION CIRCULAR**

**MINING LAWS OF LATIN AMERICA:  
GENERAL SUMMARY**



**BY**

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DEPARTMENT OF COMMERCE-BUREAU OF MINES

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By A. D. Garman<sup>2</sup>

PREFATORY NOTE

This paper presents one of a series of digests of foreign mining legislation and court decisions which is being prepared in advance of a general report relative to the right of American citizens to explore for minerals and to own and operate mines in various foreign countries. This interpretation of the laws of Latin America has been prepared from the best available information in Washington, but is released subject to correction and amplification, if necessary, by the proper American diplomatic and consular officers, to whom it is being referred through the courtesy of the Department of State.

Individual abstracts of the laws of each of the countries herein discussed have been prepared and published separately. This general summary is presented for the use of mining engineers and investors whose interests extend over the borders of a single country. It is also designed to bring out certain general principles of mining law and, so far as feasible, to indicate the trend of mining legislation in South and Central America.

In order to gain perspective, the details of legislation are not completely covered in this paper, but an effort has been made to bring out essential differences as well as points of similarity in the laws of the various countries.

The course of legislation is first traced chronologically and the points discussed are then arranged in tables in somewhat greater detail.

With a very few exceptions the existing mining legislation of Spanish America is a development of the Spanish "Law Decree of Bases" (more briefly referred to as the "Decree-Bases") of 1868. This in turn was influenced, particularly in its classification of minerals, by the French law of April 21, 1810.

Classification of Minerals

The French law of April 21, 1810, had divided all mineral deposits into mines, minières and quarries, on the basis of working methods. The minières correspond roughly to placers as this term is used in the revised statutes of the United States, and for the lack of a better English word they will be referred to as placers in this paper.

- <sup>1</sup> The Bureau of Mines will welcome reprinting of this paper, provided the following footnote acknowledgment is used: "Reprinted from U. S. Bureau of Mines Information Circular 6308."
- <sup>2</sup> Principal translator, U. S. Bureau of Mines.

The Decree-Bases converted this industrial classification into a legal one, besides inverting the order, so that here we have the following classification, based on ownership and operation rights.

1. Quarries: mineral products of an earthy nature, silicates, slate, grindstones, granite, basalt, calcareous stones and earths, gypsum, sand, marl, residual clays, and building materials in general.
2. Placers: metalliferous gravel or alluvia, bog-iron ore, emery, ocher, slag and waste rock, peat bogs, iron sulphides, saltpeter beds (salitres), lime phosphate, barite, fluorite, talc, aluminous, magnesian, and fuller's earths, and transported clays.
3. Mines: ore minerals in place, coal, lignite, asphalt and other solid bitumens, petroleum and other mineral oils, graphite, salines, copperas, sulphur, and precious stones.

All lands containing minerals of either class are divided into two distinct parts - soil and subsoil. The soil may be either private or public property, but the subsoil belongs originally to the State and accordingly can not come under private ownership except by State grant.

In the case of quarries on private property, such grant had already been made, and article 7 of the Decree-Bases merely confirmed legislation already in force in this regard. On lands of the State, however, quarries can be worked by anyone without restriction or formalities, apart from police regulations.

The same applies to placers (class 2) except that the owner is given only a preferential right to work them for himself.

Mineral deposits of the third class - mines "properly so-called," as some of the later codes express it - can be worked solely in virtue of a concession granted by the Government, such concession constituting a property separate from that of the soil.

We shall now note briefly, and in chronological order, how nearly the later Latin-American codes conform to this classification. Two of these, however, may be dismissed at once as antedating the Decree-Bases and having so few points of resemblance with it that no real comparison is possible. These are the codes of Costa Rica, dating from 1830, and of Colombia, which in 1887 adopted the mining law of one of the former States of that Republic - a law which antedated the Decree-Bases by one year.

The oldest of the existing codes enacted subsequently to the Decree-Bases is that of Uruguay (1884). The very first sentence of this code puts all minerals in a single class: mines - and then, in the same paragraph, proceeds to state four kinds of exceptions which together constitute the ordinary quarry class. Substantially the same minerals as class 1 of the Spanish law. Ownership and operation rights are also the same.

In the code of Ecuador (1886) the classification and ownership of minerals is practically the same as for Uruguay, though there is no initial pretense of putting them all in one class.

The most elaborate of all the codes is that of Argentina (1887). The law names three main classes as usual, but the first two (mines and placers) have numerous subdivisions. There is no attempt, however, to specify the minerals that constitute quarries; they are simply "mineral products of a rocky or earthy nature, and in general all those which serve as building and decorative materials." The most distinctive feature of the classification is that only certain of the metallics - presumably the most important from the national point of view - are included in class 1 (mines); those omitted fall automatically into class 2, unless otherwise provided by a special law in each case. So also with any other mineral, whether included in the classification or not - its classification may be changed or its class will be determined by a special law, according to new applications or to its nature and importance (art. 6).

Class 2, with six subdivisions, really forms a double class, on the basis of operation rights. The first group comprises placers in the ordinary sense, and the waste dumps, slag, and tailings of abandoned mines and mills; these in general are common property. Materials of the second group - comprising and last four subdivisions and including practically all the ordinary minerals other than the metallics of class 1, quarry products, fuels, and precious stones - are ordinarily regarded as belonging to the soil owner, but will be conceded to an outsider if the former fails to work them within 100 days or fails to declare within 20 days his determination to work them.

Chile (1889) makes no formal classification of minerals, but virtually divides them into two main classes on the basis of operation rights, no special quarry class being recognized.<sup>3</sup>

Honduras also (1898) fails to make any formal classification, but the three usual classes can be distinguished. Only the metallics can everywhere be acquired by denouncement; sulphur, saltpeter, precious stones, coal, etc. - which also belong to the State, and not to the landowner as in Chile - must be worked by contract with the Government; and the same ruling applies to quarries on unoccupied land of the State or of municipalities.

Nicaragua (1906) follows Honduras in this regard.

Peru (1900) has a classification that is unusual in many respects, as well as complicated. All mining property acquirable under its code is first divided into four classes: (1) The minerals themselves, with a long list of exceptions enumerated in the next article and which embrace substantially the placers and quarries of the ordinary classification, (2) mills and mill sites, (3) water for power or other mining or metallurgical uses, (4) waste dumps, slag, and tailings.

A number of minerals, however, are not included in the above classification, but have either been made Government monopolies or are governed by special laws.

<sup>3</sup> Further reference to the Chile classification will be made subsequently. Since this paper was prepared, however, Chile has adopted a new code (1930) which permits the staking of claims on a much greater number of minerals than was previously allowed.

Guatemala (1908) makes a formal threefold classification in the regular way, but employs for the placer class a special name: rozas. These comprise, however, only bog-iron ore, iron sulphides suitable for conversion to sulphate, aluminous earths, and peat. Mines comprise, in addition to the usual metallics (specifically "in lodes, beds, or pockets"), sulphur, coal, lignite, bitumen, alum, and sulphates with a metallic base; but sulphur and nitrates<sup>4</sup> are excepted from discovery and denouncement and can be worked only by contract with the Government.

The code of Paraguay (1914) makes no specification of minerals whatever, but does nevertheless divide them into two classes on the basis of ownership and operation rights. Mines and placers (in the technico-legal sense) are lumped together as belonging originally to the State, and requiring a concession for working, and quarries are simply referred to as "mines of a calcareous, rocky or earthy nature and, in general all those which furnish building and decorative materials."

Panama (1917) is a little more specific. Quarries, which on private property belong to the soil owner as usual, comprise building and decorative stone, sand, slate, clay, lime, puzzolana, peat, "and other such substances." All other deposits, in the subsoil, are classed as mines belonging to the State; but petroleum, salt, and coal must be worked under contract, unless the Government prefers to work them itself.

The code of Salvador (1922) is unique in various ways, particularly in devoting the first chapter to a definition of the technical terms employed and a special chapter near the end to hydrocarbons (including Petroleum) and phosphates. Salt mines are included with quarry products as belonging to the landowner, but under mines proper (State-owned minerals) two main classes can be distinguished as usual:

1. Subject to discovery and denouncement; metallic or submetallic minerals, precious stones, and residual deposits requiring underground working.
2. Worked under contract with the Government: phosphates suitable for fertilizers, solid mineral fuels, petroleum, and other hydrocarbons.

Bolivia (1925) employs an elaborate classification somewhat comparable to that of Argentina. Here we have four express classes, of which petroleum and other hydrocarbons constitute the third (in Argentina they are the second subdivision of the first). Eluvial and stream placers, as well as metalliferous gravel on the surface of uninclosed and untitled land (which in the other countries can be worked without restriction) are included in class 1 and subject to denouncement.

Quarries (though not referred to as such) include, in addition to the usual building materials, ocher and other coloring earths, gypsum, iron sulphides, aluminous and magnesian earths, salt-water ponds and wells, whereas the Argentine code puts all the minerals here specified in class 2, giving the soil owner only a preferential right to work them. But the Bolivian code also gives the soil owner only a preferential right in regard to the following minerals of this class: Serpentine, marble, alabaster, berengelite, porphyry, jasper, and salt mines or

<sup>4</sup> Nitrates were not included among mine products in the classification, whether by oversight or, more likely, because they were not considered of sufficient importance at the time.

deposits. The others either belong to the soil owner or are common property, according to local use and custom.

The second-class minerals of Bolivia are subject to the same legal requirements as those of the first class, and the only reason for grouping them apart seems to have been a desire to separate the metallics and precious stones from the nonmetallics.

The most elaborate of all these classifications is unquestionably that of Mexico (1926). Here, as in the case of Bolivia, we have four main classes, with petroleum and other hydrocarbons occupying the third. Minerals belonging to the soil owner (quarry products) include (1) all rocks not of commercial value in the mining and petroleum industries, (2) products derived from the decomposition of these rocks and not requiring underground working, (3) building and decorative materials, and (4) salines not formed directly by sea water (including "tequesquite" and ulexite).

The two other classes - which, like petroleum, etc., belong to the nation - correspond to the mines and placers of the usual classification.

In the most recent code, that of Venezuela (1928), there are two main classes apart from hydrocarbons, coal, and fuels, generally, which are governed by a special law, and deposits of common salt, for which also a special law exists. The classes are not numbered or subdivided in any way, but what we shall call class 1 - minerals subject to denouncement - embraces a large number of specified metals and precious stones, and class 2 (belonging to the landowner) are the usual quarry products, in addition to guano, phosphates, potash, and fertilizers generally.

A special case is made of trona (urao), which can be worked only under contract with the President; and pearls, corals, sponges, ambergris, and other such substances are expressly excepted from the provisions of the law.

In the Brazilian classification - of which a word may be said for the sake of completeness, though it has little or nothing in common with those of the Spanish countries - we have the usual quarry class, but mine products are divided into 11 groups on the basis of mode of occurrence and working methods. As regards ownership and operation rights, two fundamental points of contrast are particularly to be noted.

1. Ownership of the soil carried with it the ownership of the mine, though either may be leased, mortgaged, or sold separately.

2. Although all mines are subject to the one basic Federal law, the provisions of this law naturally differ for mines owned by persons and those owned by the Union, while the various States are free to "regulate" the law - that is, to supply the details for its practical application - as they see fit, with reference only to State land.

We shall now note some special resemblances among several of the codes with reference to certain kinds of minerals.

Uruguay, in breaking away from the threefold classification of the Decree-Basis, in effect abolished the second class, by implication, placing some of these minerals in the first class, and including in its code special provisions with reference to certain others. These provisions are substantially as follows (arts. 5 and 6):

1. Gold and tin bearing gravel and any other mineral products of rivers, brooks, and placers, on uninclosed and uncultivated land, by whomsoever owned, can be appropriated without restriction, except in "fixed establishments" (when mining concessions must be formed).

A similar provision is contained in the later codes of Ecuador, Chile, Honduras, Nicaragua, Panama, and Guatemala, though the latter gives the riparian owner a preferential right as to mining concessions.

2. Precious stones and metals found isolated on the surface of the soil belong to the first person taking them, except within the boundaries of a mining concession.

This provision is imitated by the same codes as before, except that Paraguay replaces Ecuador. Honduras inserts the phrase "in their natural condition" and says that they belong to the first occupant on open land. Nicaragua and Panama do likewise. And Paraguay says that "all minerals, of whatsoever nature, found isolated on the surface of the soil, in rivers, brooks, or placers and not within an enclosed property or the boundaries of a mining concession, can be freely appropriated and belong to the first occupant." Guatemala (1906) goes back to the original phraseology of Uruguay, except to insert the phrase "in a natural condition."

3. Another of these similarities is in regard to the waste rock and slag of mines and mills. Uruguay - which, it will be remembered, has the first of the codes enacted subsequently to the Decree-Bases - makes no mention of these materials, but we find them in the next code, which is that of Ecuador (1886). By article 5 of this law, the metalliferous waste material of abandoned mines is parcel of the mine, but common until the mine is repatented; and the slag and tailings of old reduction works abandoned by their owners<sup>6</sup> are also common so long as the grounds are not fenced or walled.

This identical provision was later included in the codes of the following countries: Panama, Guatemala, Honduras, Venezuela, Chile, and Nicaragua, and the Argentine law is to much the same effect.

Peru, by a special law in 1912, provided that this waste material could not be worked except by denouncement, and that mine dumps could not be denounced at all apart from the mine. Substantially similar provisions are contained in article 14 of the Bolivian code (1925) and articles 23 and 24 of that of Salvador (1922).

4. The fourth and last of these cases was introduced by the code of Chile (1889), third paragraph of article 2. Here, after stating that various metallics and the precious stones could be freely acquired by individual persons (first paragraph), and that coal and all other minerals<sup>7</sup> (fosiles) not comprised in the

<sup>6</sup> This phrase was probably designed to exclude abandonment by a lessee.

<sup>7</sup> A few exceptions, however, are mentioned in the fourth and fifth paragraphs.

TABLE 1 - Classification of minerals, by countries

| Country<br>and year<br>mining law<br>was passed | Mines or mine products<br>(subject to denouncement)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Intermediate deposits or placers                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                     | Quarries                                                                                                                                                                                                             |
|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | I                                                                                                                                                                                                                                                                                                                                                            | II                                                                                                                                                                                                                  |                                                                                                                                                                                                                      |
| <b>ARGENTINA</b><br>(1887)                      | Specified metallics (except placers): gold, silver, platinum, mercury, copper, iron (except sulphides and sulphates), lead, tin, zinc, nickel, cobalt, bismuth, manganese, antimony, tungsten. Precious stones (except placers). Fuels, mica, and arsenio.                                                                                                                                                                                                                                                                                                                                                                            | (Worked preferably by soil owner:)<br>1. Borates and nitrates.<br>2. Salt ponds and peat bogs.<br>3. Metals other than those specified.<br>4. Iron sulphides and sulphates.<br>5. Aluminous, magnesian, and fuller's earths.<br>6. Emery, ocher, mineral wax, talc, lime phosphate, sulphur, barite, fluorspar, copperas, graphite, kaolin, alkaline earths. | Common, but subject also to concession:)<br>Stream and eluvial placers (except on cultivated land).<br>Slag and waste rock of abandoned mines and mills.<br>Quarry products on land of the State or municipalities. | (Vested in soil owner:)<br>"Mineral products of a rocky or earthy nature," and building or decorative materials in general.                                                                                          |
| <b>BOLIVIA</b><br>(1925)                        | All vein metallics.<br>Metalliferous gravel on public land.<br>Stream and eluvial placers.<br>Precious stones.<br>Nonmetallics, such as borax, iodine, sulphur, coal, nitrates. Waste material of abandoned mines and mills.                                                                                                                                                                                                                                                                                                                                                                                                          | (Worked preferably by soil owner:)<br>Serpentine, marble, alabaster, berengelite, porphyry, jasper, salt mines.<br>Metals other than those specified.                                                                                                                                                                                                        | (Subject to a special law:)<br>Petroleum and other hydrocarbons, which are worked under contract with the Executive.                                                                                                | (Either common or vested in soil owner:)<br>Building and decorative stones; gypsum, sand, marl, emery, clay, fuller's earth, ocher, iron sulphides, aluminous and magnesian earths, salt-water wells and pools.      |
| <b>BRAZIL</b><br>(1921)                         | All minerals other than quarry products, and classified as follows:-<br>I. Metallic minerals in primary deposits.<br>II. Metallic minerals in dry placers or gravel banks.<br>III. Metallic minerals in gravels of existing streams.<br>IV. Precious and semiprecious stones in primary deposits.<br>V. Precious and semiprecious stones in dry placers or gravel banks.<br>VI. Precious and semiprecious stones in gravels of existing streams.<br>VII. Monazite-bearing gravels (stream or marine).<br>VIII. Earthy or nonmetallic minerals.<br>IX. Solid mineral fuels.<br>X. Bituminous schist.<br>XI. Petroleum and natural gas. |                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                     | Building materials, including limestone and marble; gravel pits; iron or clay pits, sand deposits, boulders, ocher, peat, kaolin, asbestos, mica, iron-ore sand, salt and niter deposits on the surface or in caves. |

TABLE 1 - Classification of minerals, by countries—Continued

| Country and year mining law was passed | Mines or mine products (subject to denouncement)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Intermediate deposits or placers                                                                             |                                                                                                                                                | Quarries                                                                                                                                     |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
|                                        | I                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | II                                                                                                           | III                                                                                                                                            |                                                                                                                                              |
| <u>CHILE</u> -<br>(1930)               | 1. Practically all metallics (including auriferous and stanniferous gravel) and the precious stones; also any other mine products on public land.<br><br>2. Onyx, marble, lapis lazuli and alabaster; borates; phosphates other than guano sodium, potassium, magnesium, and aluminium salts soluble in water, with the exception of nitrates; graphite, native sulphur; commercial quartz, mica, and feldspar; emery, bauxite, kaolin, cryolite, fluorite, Iceland spar, dolomite, magnesite, asbestos, talc, pyrophyllite, tripoli or kieselguhr, calcium carbonate and solid hydrocarbons. | (Reserved by State:)<br>Guano and liquid petroleum.<br>Nitrates and analogous salts on public lands.         |                                                                                                                                                | (Vested in soil owner:)<br>Practically all minerals other than those specified.                                                              |
| <u>COLOMBIA</u> -<br>(1867)            | Gold, silver, platinum, copper, and precious stones other than emeralds (but with local exceptions as to gold and silver).                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (Worked under contract:)<br>Practically all minerals other than those specified in column I, on public land. | (Monopolized:)<br>Emerals.<br>Rock salt.                                                                                                       | (Remark:)<br>On private property, all minerals belong to the landowner unless otherwise provided by law.                                     |
| <u>COSTA RICA</u><br>(1830)            | On public lands, all mine products other than coal, petroleum, etc.<br><br>On private property, only metals, metalloids, and precious stones.                                                                                                                                                                                                                                                                                                                                                                                                                                                 | (Worked under contract:)<br>Coal, petroleum, and hydrocarbons generally.                                     |                                                                                                                                                |                                                                                                                                              |
| <u>ECUADOR</u> -<br>(1886)             | Metallics and precious stones (but note exceptions), petroleum, coal, and other mine products.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | (Common:)<br>Slag and waste rock of abandoned mines and mills.                                               | (Working unrestricted—without prejudice to vested rights:)<br>Metalliferous gravel of streams and placers, on land not cultivated or enclosed. | (Common or worked under contract:)<br>Building and decorative stones, sand, slate, clay, lime, puzzuolana, peat, marl, etc., on public land. |

TABLE 1 - Classification of minerals by countries—Continued

| Country and year mining law was passed | Mines or mine products (subject to denouncement)                                                                                                                                                                                               | Intermediate deposits or placers                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                       | Quarries                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                        |                                                                                                                                                                                                                                                | I                                                                                                                                                                                                                                                                                                 | II                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>GUATEMALA-</b><br>(1908)            | The metallics generally, including sulphates with a metallic base; coal, lignite, bitumen, alum.                                                                                                                                               | (Worked under contract:) Sulphur and nitrates.                                                                                                                                                                                                                                                    | (Working unrestricted on public land, except in metallurgical plants, which refuse a concession:)<br>Metalliferous gravel, bog-iron ore, and the placer materials.                                    | (Common, but subject also to special concession, on public land:)<br>Building and decorative stones, gypsum, puzziolana basalt, lava, chalk, marl, sand, flint, clay, kaolin, potter's and other earths, iron sulphides regarded as fertilizers.                                                                                                                                                                                          |
| <b>HONDURAS-</b><br>(1898)             | The metallics generally, and precious stones.                                                                                                                                                                                                  | (Worked under contract:) Sulphur, nitrate, coal and other mine products, apart from "mines" proper.                                                                                                                                                                                               | (Working unrestricted on land not cultivated nor enclosed, except in "fixed establishments.")<br>Metalliferous gravel, etc.                                                                           | Practically the same as for Guatemala, except that those requiring underground working would probably be regarded as "mine products" (fossiles).<br>(Vested in soil owner:)                                                                                                                                                                                                                                                               |
| <b>MEXICO-</b><br>(1926)               | 1. Metallics and submetallics, together with the wall rock.<br>2. Coal and lignite.<br>3. Graphite and asbestos.<br>4. Rock salt and associated salts.<br>5. Precious stones.<br>6. Residues of reduction works in the beds of Federal rivers. | 1. Coloring, abrasive, and fluxing materials.<br>2. Fertilizers.<br>3. Salines formed directly by sea water.<br>4. Residual deposits requiring underground working.<br>5. Noncombustible gases.<br>6. Amber and other minerals used in manufacturing.<br>7. Quarry products on the public domain. | (Subject to special law:) Petroleum, combustible gas, bitumens, asphalts, paraffins and all natural derivatives of petroleum, and all rocks containing in commercial amounts any of these substances. | 1. Earths utilizable in culture or forestry.<br>2. Underground water, except from mining.<br>3. Surface streams not included in the fifth paragraph of article 27 of Constitution.<br>4. All rocks other than those already referred to.<br>5. Residual products thereof not requiring underground working.<br>6. Building and decorative materials.<br>7. Salines not formed directly by sea water, including "tequesquite" and ulexite. |

~~Table for Classification of Minerals by Countries~~ ~~Continued~~

| Country and year was passed | Mines or mine products<br>(subject to denouncement)                                                                       | Intermediate deposits or placers                                                                                                                                                          |                                                                                                                                                                                                             | Quarries                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                             | I                                                                                                                         | II                                                                                                                                                                                        | III                                                                                                                                                                                                         | IV                                                                                                                                                                                                                                                                                                                                            |
| <b>NICARAGUA-</b><br>(1906) | (Same as for Honduras.)                                                                                                   | (Same as for Honduras.)                                                                                                                                                                   | (Same as for Honduras.)                                                                                                                                                                                     | (Same as for Honduras.)                                                                                                                                                                                                                                                                                                                       |
| <b>PANAMA-</b><br>(1917)    | Mineral deposits, generally apart from those referred to in the other columns.                                            | (Worked either under contract or by the Government:)<br>Petroleum.<br>Coal.                                                                                                               | (Worked without restriction except in "fixed establishments":)<br>Metalliferous gravels, etc.                                                                                                               | (Either common or worked by special contract on unoccupied public land:)<br>Building and decorative stone.                                                                                                                                                                                                                                    |
| <b>PARAGUAY-</b><br>(1914)  | Subsoil deposits, generally apart from quarry products.                                                                   | Common salt.                                                                                                                                                                              | (Belonging to the first occupant, on free or open ground:)<br>All minerals found isolated on the surface, or in rivers, brooks or placers.                                                                  | (Worked preferably by soil owner:)<br>"Minerals of a calcareous, rocky or earthy nature, and, in general, all those which furnish building and decorative materials.                                                                                                                                                                          |
| <b>PERU-</b><br>(1900)      | 1. Mineral deposits generally apart from those mentioned in the other columns:<br>2. Slag or tailings of abandoned mills. | (Government monopolies:)<br>Guano.<br>Rock salt.                                                                                                                                          | (Subject to special laws.)<br>1. Quarry products on State land: "mica, garnet, and other analogous substances."<br>2. Salines: niter, borax, potash, "and other alkaline substances."<br>3. Petroleum, etc. | Siliceous stones, slate, sandstones or grindstones, granite, basalt, calcareous stones and earths; serpentine, marble, alabaster, porphyry, jasper, etc.; gypsum, sand, marl, kaolin, emery, argillaceous and fuller's earths; other and other coloring earths; pyritic, aluminous, and magnesian deposits; talc, lime, phosphates, and peat. |
| <b>SALVADOR-</b><br>(1922)  | 1. Metallics, submetallics, and precious stones.<br>2. Residual rock deposits requiring underground working.              | (Requiring special concession of the Executive:)<br>1. Phosphates useful as fertilizers.<br>2. Solid mineral fuels.<br>3. Petroleum and the hydrocarbons, whether solid liquid or gaseous |                                                                                                                                                                                                             | "Mineral products of an nature," such as:<br>(a) siliceous and building stones, (b) sand, (c) argillaceous and magnesian earths, (d) calcareous stones and earth, (e) salt mines.                                                                                                                                                             |

TABLE 1 - Classification of minerals by countries--Concluded

| Country and year mining law was passed | Mines or mine products (subject to denouncement)                                                                                                                                                                    | Intermediate deposits or placers                                                                                                                                                                  |                                                                                                                                                                | Quarries                                                                                                                                                                                          |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                        |                                                                                                                                                                                                                     | II                                                                                                                                                                                                | III                                                                                                                                                            |                                                                                                                                                                                                   |
| URUGUAY-<br>(1884)                     | All mineral deposits other than those specified in the following columns.                                                                                                                                           | (Worked without restriction except in fixed establishments;)<br>Metalliferous gravel, etc. on land not cultivated or enclosed.                                                                    | Precious stones and metals found isolated on the surface, except within a mining concession, belong to the first party taking them the first party taking them | Siliceous, aluminous, and magnesian stones and earths;<br>Calcareous earths, limestone and gypsum;<br>Granite, basalt, and serpentine; and in general, all building and decorative materials.     |
| VENEZUELA-<br>(1928)                   | All minerals of industrial value, apart from those mentioned or referred to in the following columns, and including:<br>1. Metallics and precious stones.<br>2. Sulphur, asbestos, graphite, muscovite, boron, etc. | (Not subject to the mining law:)<br>1. Hydrocarbons, coal and fuels in general.<br>2. Rock-salt mines, salines, and other deposits of common salt.<br>3. Pearls, corals, sponges, ambergris, etc. | (Worked by contract with the Executive:)<br>1. Trona (soda).<br>2. Quarry products on public lands or commons.                                                 | Building and decorative stones, and, in general, any stone not precious; kaolin and meerschaum; sand, slate, clay, lime, gypsum, puzzolana, peat, etc.; fertilizers (including guano and potash). |

first paragraph run to the soil owner (second paragraph), the paragraph in question states that "mineral substances of any kind" (referring, it appears, to the "coal and other minerals" of the second paragraph) in unenclosed and uncultivated land of the State or municipalities can also be freely acquired by individual persons - acquired, that is, in accordance with the terms of the mining code.

This provision was copied, in more or less modified form, into the codes of Honduras (1898), Nicaragua (1906), and Panama (1917); the only change of any possible consequence was made in the Nicaraguan version of the law, which omitted the phrase "of any kind" (*de cualquiera especie*). But the application of the paragraph varies somewhat in the different codes according to the context, and in any case it seems to refer exclusively to that intermediate class of deposits between lodes and quarries (in the restricted sense), such as borates, nitrates, and phosphates. In the codes of Honduras and Nicaragua, however, the paragraph seems superfluous. In Table 1 the minerals of South America are classified by countries.

### PROSPECTING

The provisions of the various codes with regard to prospecting offers perhaps a still more interesting study in evolution, particularly as concerns the restrictions on this right. The French code of 1810 had manifested what seemed a rather excessive regard for the privacy of the landowner, his consent being required for practically all sorts of mining or exploration work within a distance of 100 meters not only of dwellings but even of enclosed land. The Spanish Decree-Bases of 1868 merely provided that previous permission of the owner (or his representative) was required for prospect holes on private property, leaving the details to a subsequent regulation.

Nine years before that time, however, Spain had enacted a mining law (July 6, 1859) which seems to furnish the starting-point for the Spanish-American codes with reference to this subject. This law provided that on ordinary cultivable land (*terrenos de secano*) containing a wood or vineyard or devoted to grazing or agriculture the Governor should have power, after certain formalities, to grant permission for prospect holes in event of the owner's refusal, while in the case of buildings, gardens, orchards, and plantations or irrigated estates (*fincas de regadio*) such permission could be granted by no one other than the owner. And special permission of the Governor was required for prospect holes or other mine workings within 40 meters of a building, railroad, cart road, canal, fountain, watering pond or other "public service," and of the military authority within 1,400 meters of fortified points. The landowner could also require the prospector to give security for damage that might immediately result from the prospect holes, as determined by agreement or appraisal, and the prospector was held liable for any damage and detriment he might subsequently occasion on the estate.

Uruguay (1884) simplified these rules considerably by abolishing the terms "*terrenos de secano*" and "*fincas de regadio*" (which are evidently not very current or well understood even in Spanish-speaking countries, though they appear again in the later codes) and dividing land into open or uncultivated and enclosed or cultivated. The public services are divided into two groups, the 40-meter zone of protection remaining for buildings and railroads, and one of 70 meters being

established for canals, aqueducts, etc. Special permission was also required for such work on sloping land above or below trenches or a public highway. And a permit obtained from the Judge (not the Governor) for prospecting on cultivated land under private ownership was limited to a period of three months, not subject to extension or renewal.

The principal modifications introduced into this scheme by Ecuador (1886) were the following:

1. The license granted by the Judge should determine the number of persons to be employed in the prospecting.
2. The time should not exceed one month.
3. Prospecting should not be carried out until after any produce of the land had been gathered.
4. The landowner could require security for all damage which might result to him at any time, whether from the prospecting or subsequent mining work.

These provisions were later adopted by the codes of Chile,<sup>8</sup> Honduras (which, however, made the period 60 days), Nicaragua (also 60 days), Guatemala (two months), Paraguay (three months), and Panama (60 days).

Argentina (1887) evolved, as usual, its own elaborate rules with regard to prospecting, aiming especially to keep the excepted areas within reasonable bounds. For instance, for prospecting within gardens, orchards, or vineyards consent of the owner is required only when the property is walled or firmly palisaded; not being so, the reserved area is limited to 10,000 square meters in gardens and to 25,000 in orchards and vineyards. (Paraguay, in its 1914 code, adopted a similar provision, but raised the latter limit to 4 hectares, or 40,000 square meters). Argentina further provided a 500-hectare unit of measure for prospecting licenses with a period of 140 days (exclusive of 30 days for installing the works) and permitted the prospector during this time to limit the field of his activities to two ordinary pertenencias (not necessarily in a single block) and to obtain a new period not exceeding 15 months for more intensive exploration work.

The only novel feature of the Peruvian code (1900) in this respect is article 15, which provides that for prospecting requiring a long period, application can be made for one or more "exploration concessions," each containing from 60 to 600 pertenencias (this unit of measure containing either 20,000 or 40,000 square meters, according to the nature of the deposit).

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<sup>8</sup> - The 1930 code of Chile extends the period to six months.

By the code of Salvador (1922) the distance at which prospecting is permitted from public buildings, railways, dams, etc., is to be determined in each case by the Governor (with a report by experts if necessary).

The provisions of the Mexican code (1926) with regard to prospecting are mostly different from those of any of the other countries, particularly in the following respects: (1) Each "exploration concession" must be in the form of a rectangle, as usual, but the area is limited only by the circumstance that no one of its sides may exceed a certain length, except that in stream placers both the maximum length and width are determined. (2) The period of the concession is two years, but is subject to three yearly extensions - on proof, however, of having executed a certain amount of work during the previous year. (3) The minerals which it is desired to discover must be specified in the concession; after discovery the prospector ordinarily has exclusive right to obtain one or more mining concessions with reference to the various subdivisions of one of the groups of substances covered by the exploration concession.

Three cases are also specified in which a prospecting license can not be granted the applicant:

1. In the matter of the intermediate deposits of "sundry minerals" (second column of Table 1) on land as to which a concession had once been granted for the working of such substances.

2. When the applicant had exceeded some specified time limit with respect to another application concerning the same land or part thereof, within one year after a declaration to that effect.

3. Within two years after a declaration of forfeiture as to an exploration concession held by the applicant with reference to the same land or part thereof.

Apart from minor restrictions with reference to buildings and other constructions, the excepted areas comprise: (1) The improved or built-up part of settlements (poblaciones), and (2) within 100 meters of the boundaries of another exploration concession with reference to the same group of substances. (Arts. 30-31 of the Law, and art. 37 of the Regulation.)

Venezuela (1928) provides for exploration zones of from 5,000 to 50,000 hectares and a period of from 2 to 10 years, the longer periods being granted with reference to regions where little is known as to the location of minerals and where prospecting is unusually difficult on account of the distance from towns or for other reasons. And a fee of 250 bolivares (equivalent to about \$50) annually per thousand hectares or fraction thereof is established.

In Tables 2 and 3 which follow, the Roman numerals (I to IV) refer to the columns of Table 1, and do not necessarily correspond with the classification as given either in the law or the digest thereof.

TABLE 2 - Prospecting

| Country   | Classes of deposits   | Prospecting area                                                                                                                                       | Period                                                                          | Fees                                                                                     | Permit granted by-                                              | Remarks                                                                                                                                                                |
|-----------|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ARGENTINA | I, and 2 and 3 of II. | (Unit: 500 hectares)<br>To a single applicant: 1 unit<br>To two or more: 2 units<br>On land not cultivated, worked or enclosed, double the preceeding. | 140-300 days (plus 30 days for installation), depending on area. (See remarks.) | For first-class minerals: 2 pesos currency (about 85 cents) per unit.                    | The "mining authority." (autoridad minera.)                     | An additional period not exceeding 15 months may be secured for more intensive exploration work on 3 pertenencias (each 200 x 300 meters) within the prospecting area. |
|           | II, 1.                | 300 hectares (to discoverers.)                                                                                                                         | 150 days.                                                                       |                                                                                          |                                                                 |                                                                                                                                                                        |
|           | II, 2.                | 40 hectares (to discoverers.)                                                                                                                          | 90 days.                                                                        |                                                                                          |                                                                 |                                                                                                                                                                        |
|           |                       |                                                                                                                                                        |                                                                                 |                                                                                          |                                                                 |                                                                                                                                                                        |
| BOLIVIA   |                       | Not limited, apparently except by circumstances                                                                                                        | 30 days, subject to an equal extension for cause shown.                         | Apparently only the damage resulting to the landowner.                                   | The "political authority" (autoridad politica) of the province. |                                                                                                                                                                        |
| BRAZIL    | (Unit: See remarks.)  |                                                                                                                                                        | 1 year, subject to an equal extension for cause shown.                          | 2 milreis per lot in the "normal" regions, 1 in the others (but discoverers are exempt.) | The judge of the district (Juiz da Comarca.)                    | The unit of measure is called a lot with a surface area of 1 hectare or (in the case of stream or marine gravels) an extent of 1 kilometer.                            |
|           | <u>Individuals</u>    | <u>Companies</u>                                                                                                                                       |                                                                                 |                                                                                          |                                                                 |                                                                                                                                                                        |
|           | I 1 - 10              | 1 - 50                                                                                                                                                 |                                                                                 |                                                                                          |                                                                 |                                                                                                                                                                        |
|           | II 1 - 100            | 1 - 500                                                                                                                                                |                                                                                 |                                                                                          |                                                                 |                                                                                                                                                                        |
|           | III 1 - 5             | 1 - 25                                                                                                                                                 |                                                                                 |                                                                                          |                                                                 |                                                                                                                                                                        |
|           | IV 1 - 10             | 1 - 50                                                                                                                                                 |                                                                                 |                                                                                          |                                                                 |                                                                                                                                                                        |
|           | V 1 - 100             | 1 - 500                                                                                                                                                |                                                                                 |                                                                                          |                                                                 |                                                                                                                                                                        |
|           | VI 1 - 5              | 1 - 25                                                                                                                                                 |                                                                                 |                                                                                          |                                                                 |                                                                                                                                                                        |
|           | VII 1 - 5             | 1 - 25                                                                                                                                                 |                                                                                 |                                                                                          |                                                                 |                                                                                                                                                                        |
|           | VIII 1-1000           | 1-5000                                                                                                                                                 |                                                                                 |                                                                                          |                                                                 |                                                                                                                                                                        |
|           | IX 1-1000             | 1-5000                                                                                                                                                 |                                                                                 |                                                                                          |                                                                 |                                                                                                                                                                        |
|           | X 1-1000              | 1-5000                                                                                                                                                 |                                                                                 |                                                                                          |                                                                 |                                                                                                                                                                        |
|           | XI 1-200              | 1-1000                                                                                                                                                 |                                                                                 |                                                                                          |                                                                 |                                                                                                                                                                        |
| CHILE     |                       | Not limited.                                                                                                                                           | Not more than six months; or for exclusive exploration concessions, two years.  | 1 peso per hectare or a minimum of 1,000 pesos for exclusive exploration concessions.    | The local Juez de Letras.                                       | Exclusive exploration concessions are for drilling or other processes involving the use of machinery.                                                                  |

TABLE 2. - Prospecting—Continued

| Country          | Classes of deposits                                                   | Prospecting area                                                                                                                                                                                                                                       | Period                                                                                      | Fees                                                                                                                                                            | Permit granted by-                                                                                                   | Remarks                                                                                                                                               |
|------------------|-----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>COLOMBIA</u>  |                                                                       |                                                                                                                                                                                                                                                        |                                                                                             | On ordinary farm land, notice must be given the owner and security furnished if required.                                                                       | The police dep't (within a radius of 100 meters from settlements). The owner (on various kinds of private property). | Licences not generally granted nor refused, but prospecting is subject to numerous restrictions. Mining rights of any sort arise only from discovery. |
| <u>ECUADOR</u>   |                                                                       | Not limited except for exploring a known lode, when "one or more" pertenencias are obtainable according to the extent of vacant ground.                                                                                                                | 1 month.<br>For exploring on a known lode 90 days, subject to an equal extension for cause. |                                                                                                                                                                 | The local "ordinary judge" (as distinguished from the Judge of Mines) in case of refusal by owner or administrator.  | No permit required on land not cultivated or enclosed.                                                                                                |
| <u>GUATEMALA</u> |                                                                       | Circle with a radius of 200 meters.<br><br>For exploring a known lode, 10 hectares.                                                                                                                                                                    | 2 months<br><br>90 days.                                                                    |                                                                                                                                                                 | Alcalde (in case of owner's refusal).<br><br>Ministry of Fomento in certain special cases.                           | No permit required on open or uncultivated land                                                                                                       |
| <u>HONDURAS</u>  |                                                                       | Not limited except for exploring a known lode. In the latter case, 1 to 5 hectares.                                                                                                                                                                    | 60 days.<br>For exploring a known lode, 90 days, subject to an equal extension for cause.   |                                                                                                                                                                 | The local Juez de Letras (in event of owner's refusal).<br><br>The Governor in certain special cases.                | No license required on open or uncultivated land                                                                                                      |
| <u>MEXICO</u>    | I. except for coal.<br><br>Coal and II.<br><br>Class 1 placer ground. | A rectangle, no side of which is more than 1,000 meters in length.<br><br>A rectangle no side of which measures more than 4,000 meters.<br><br>Maximum length of 10 kilometers, with a width of 400 meters on each side of the mid-line of the stream. | 2 years, subject to three yearly extensions.                                                | For class 1 (except coal), \$45 to \$135 according to area.<br><br>For coal and minerals of class 2, \$25 for first 10 hectares and \$3 for each additional 10. | The local Mining Agency (Agencia de Minería).                                                                        |                                                                                                                                                       |

TABLE 2 - Prospecting—Continued

| Country   | Classes of deposits | Prospecting area                                                                                                                        | Period                                                                                                | Fees                                               | Permit granted by—                                                                                                      | Remarks                                                                      |
|-----------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| NICARAGUA |                     | (1) Not limited.<br>(2) 1 pertenencia (1 to 5 hectares) for exploring a known lode.                                                     | 60 days.<br>90-180 days.                                                                              |                                                    | The local district judge (in event of owner's refusal).                                                                 | Houses, gardens, orchards, etc., require consent of owner.                   |
| PANAMA    |                     | (1) Not limited.<br>(2) 1 to 5 hectares on a known lode.<br>(3) Up to 10,000 hectares, according to the applicant's means.              | 60 days.<br>90 days.<br>Limited to 4 years.                                                           | 50 cents per hectare annually.                     | The local Alcalde (in event of owner's refusal).<br>The Executive Power.                                                | The third set of provisions apply to zones for prospecting on a large scale. |
| PARAGUAY  |                     | Limited to 500 hectares.                                                                                                                | Limited to 8 months, but subject to renewal in certain circumstances.                                 |                                                    | Either the landowner or the Ministry of the Interior. But for petroleum, only through the latter                        | Various kinds of land excepted.                                              |
| PERU      | I.                  | One or more special "exploration concessions" may be obtained, each limited to 1200 or 2400 hectares depending on the class of deposit. | 1 year, subject to a year's renewal, for ordinary licenses.                                           | Indemnity for use of land and security for damage. | The local mine authority (Diputación or Delegado)                                                                       | No permit required on land not cultivated or enclosed.                       |
|           | Salines.            | 100-300 hectares.                                                                                                                       | Not more than 6 months.                                                                               | 1 sol per hectare (art. 27).                       |                                                                                                                         |                                                                              |
| SALVADOR  |                     | A circle with a radius not exceeding 500 meters.                                                                                        | 60 days, but extensions may be granted to make the total period 1 year.                               |                                                    | Governor of department.                                                                                                 | The foregoing does not apply to petroleum.                                   |
| URUGUAY   |                     | Not limited, except for exploring a known lode, when it is 12 hectares.                                                                 | 3 months for cultivated land.<br>For a known lode, 5 months, subject to an equal extension for cause. |                                                    | The Jefe Politico of the department on open land.<br>The Juez Letrado on cultivated land (in event of owner's refusal). |                                                                              |

TABLE 2 - Prospecting—Concluded

| Country          | Classes of deposits | Prospecting area                                            | Period                                     | Fees                                                                        | Permit granted by—                                                                                       | Remarks                                                        |
|------------------|---------------------|-------------------------------------------------------------|--------------------------------------------|-----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| <u>VENEZUELA</u> |                     | 5,000 hectares, up to a maximum of 50,000 in special cases. | 2-10 years, according to local conditions. | 250 bolivares (about \$50) annually per 1,000 hectares or fraction thereof. | Minister of Fomento, but application should be made to the local Superintendent of Mines (Guarda-minas). | The foregoing data refer only to exclusive exploration rights. |

TABLE 3 - Mining Concessions

| Country           | Class                                                                | Unit of measure<br>(ordinary concession)                                | Remarks                                                                                                                                                                                                                                                                                |
|-------------------|----------------------------------------------------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>ARGENTINA</u>  | Placer (III).                                                        | 100,000 sq. meters                                                      | For nitrates, borates, rock salt, and peat, individual persons are allowed 2 units and companies 3 units.                                                                                                                                                                              |
|                   | Waste (III).                                                         | 60,000 sq. meters                                                       |                                                                                                                                                                                                                                                                                        |
|                   | Nitrates, and borates.                                               | 100 hectares                                                            | For class 1 (except iron and coal). discoverers within a 5-km. radius are entitled to 2 units; outside that radius, to 3 units on principal vein and 2 on each of any others discovered. Companies or partnerships are entitled to 2 or 4 extra units, depending on number of members. |
|                   | Rock salt and peat                                                   | 20 hectares                                                             |                                                                                                                                                                                                                                                                                        |
|                   | I (except iron and coal).                                            | 300 x 200-500 meters<br>(pertenencia)                                   |                                                                                                                                                                                                                                                                                        |
|                   | Iron mines                                                           | 240,000 sq. meters                                                      | See also (final section of the digest, I. C. 6251) provisions with reference to group mines.                                                                                                                                                                                           |
|                   | Coal mines                                                           | 540,000 sq. meters                                                      |                                                                                                                                                                                                                                                                                        |
| <u>BOLIVIA</u>    | (1) Vein metallics, placers, precious stones.                        | 10,000 sq. meters<br>(hectares in the form of a square)                 | On "known" mineral land the number of units is limited only by circumstances. On "recently discovered land, the maximum is 30 for class 1 and 64 for class 2.                                                                                                                          |
|                   | (2) Nonmetallics.                                                    |                                                                         |                                                                                                                                                                                                                                                                                        |
| <u>BRAZIL</u>     |                                                                      |                                                                         | The maximums for mining concession are the same as for prospecting.                                                                                                                                                                                                                    |
| <u>CHILE</u>      | (1) Metallics and precious stones.                                   | Pertenencia of 1 to 5 hectares as desired.                              | Special concessions for prospecting or mining coal are obtainable from the Executive, who determines the area to be allowed.                                                                                                                                                           |
|                   | (2) Other minerals, except for coal, nitrates, guano, and petroleum. | Up to 500 hectares.                                                     |                                                                                                                                                                                                                                                                                        |
| <u>COLOMBIA</u>   | Lode deposits.                                                       | 600 to 240 meters.                                                      | Denouncers of lode mines on State lands may secure up to 500 hectares in land contiguous with the 3 claims to which they are entitled by law.                                                                                                                                          |
|                   | Sedimentary deposits<br>(base metals, etc.)                          | A square with a side of 2 kilometers.                                   |                                                                                                                                                                                                                                                                                        |
|                   | Placer deposits                                                      | A square with a base of 2 kilometers, or a rectangle 2 by 5 kilometers. |                                                                                                                                                                                                                                                                                        |
| <u>COSTA RICA</u> | Lode deposits.                                                       | Approximately a square with a side of 168 meters.<br>(V. Remarks.)      | For lode deposits, the width is determined by two planes parallel to the dip at a distance of 84 meters on either side. On a known lode, the maximum is 2 units; on a virgin lode, 5 units per vein to each discoverer, up to a maximum of 15 per vein.                                |
|                   | Placer deposits, etc.                                                | Left to the discretion of the judge.                                    |                                                                                                                                                                                                                                                                                        |

TABLE 3 - Mining Concessions—Continued

| Country          | Class                                                                                                       | Unit of measure<br>(ordinary concession)                                                                                                                            | Remarks                                                                                                                                                                                                 |
|------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>ECUADOR</u>   | Veins and bedded deposits.<br>Irregular deposits or masses.<br>Metalliferous gravel.<br>Coal and petroleum. | 600 by 200 meters (measured horizontally).<br>A square with a side of 200 meters.<br>50,000 sq. meters, with a width of at least 50 meters.<br>200 by 1,000 meters. | Up to 20 pertenencias allowed, provided they are contiguous and on the course of the same vein. (Applies to all four classes).                                                                          |
| <u>GUATEMALA</u> | Metallic minerals in place, coal, lignite, bitumen, alum, sulphates with a metallic base.                   | 10 hectares (100,000 sq. meters).                                                                                                                                   | Discoverers on a virgin lode (outside 5-km. radius), allowed 3 units.                                                                                                                                   |
| <u>HONDURAS</u>  | Metallic minerals in place and precious stones.                                                             | Pertenencia of 1 to 5 hectares, as desired; width varying from 100 to 200 meters according to the dip.                                                              | Discoverers on a virgin lode (outside 4-km. radius), allowed 3 units. For mining work on a large scale, application can be made to the executive for a "mineral zone" not exceeding 200 hectares.       |
| <u>MEXICO</u>    | Mines (I) other than coal.<br>Coal.<br>Class 2.                                                             | 1 hectare in the form of an horizontal square.<br>Do.<br>1 hectare in the form of any horizontal polygon.                                                           | Concession granted for no more than 30 years, subject to renewal. For class 1 (other than coal), the concession is limited to 100 hectares, for coal to 1000 hectares, and for class 2 to 400 hectares. |
| <u>NICARAGUA</u> |                                                                                                             |                                                                                                                                                                     | Same as Honduras, except that there is no provision for "mineral zones."                                                                                                                                |
| <u>PANAMA</u>    | Class 1.                                                                                                    | Pertenencia of 1 to 5 hectares.                                                                                                                                     | Discoverers on a virgin lode entitled to 3 units.                                                                                                                                                       |
| <u>PARAGUAY</u>  | I (except petroleum).<br>For petroleum and for forfeited mines acquired prior to 1924.                      | A circle with a radius of 2 kilometers.<br>A prism with a rectangular base 300 by 200 meters.                                                                       | Size of concession limited only by circumstances.<br>For iron, coal, peat, and fuels generally, 10 units; for other deposits, 5 units.                                                                  |

TABLE 3 - Mining Concessions—Concluded

| Country     | Class                                                                                                                                               | Unit of measure<br>(ordinary concession)                                                                                | Remarks                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PERU        | Coal and placer deposits (gold platinum, etc.)<br>Also mica, garnet, etc.<br>Other deposits of class 1.<br><br>Salines (niter, borax, potash, etc.) | 4 hectares in the form of a square.<br><br>A prism with a rectangular base 200 by 100 meters.<br><br>40,000 sq. meters. | A single mining concession (class 1 generally) may comprise any number of units not exceeding 60.<br><br><br><br>Either 100 or (in the case of discoveries) 150 units. (The discovery must be at a distance of at least 50 kilometers from deposits already known.)                                                                                                                                                                |
| EL SALVADOR | (I)                                                                                                                                                 | 1 hectare (10,000 sq. meters) in the form of a square.                                                                  | Area of concessions for petroleum, phosphates, etc., left to the discretion of the Executive. For other minerals the size of the concession depends on whether the discovery was within or outside a radius of 10 kilometers from a mine producing or having produced the same sort of mineral: in the first case, 8 units; in the second, 10 units on the principal vein and 5 on each of any others discovered at the same time. |
| URUGUAY     | Mines (I).<br><br>Placer deposits, coal, and peat.                                                                                                  | 1 hectare (in all cases).                                                                                               | For class 1, individual discoverers within a 5-km. radius are entitled to 36 units; outside that radius, to 60 units. In the case of companies composed of three or more members, the above figures should be changed to 84 and 108, respectively; while those exceptionally well financed may obtain double these areas. For placer deposits, etc., all the above areas should be tripled.                                        |
| VENEZUELA   | Vein or lode deposits.<br>Placer or other form of deposits.                                                                                         | 1 hectare (in all cases).                                                                                               | For lode deposits, the area is limited to 500 hectares; for other deposits, to 2,500 hectares.                                                                                                                                                                                                                                                                                                                                     |

## CLAIMS AND CONCESSIONS

The Decree-Bases had provided a unit of measure, called the *pertenencia*, with an area of 1 hectare in the form of a square - that is, 100 meters on each side. No limitation was imposed on the number of these units that might be included in a concession, except that the minimum was four, applicable to both mines and placers.

Uruguay (1884) changed all this, completely discarding the *pertenencia* and providing for a fixed extent of ground variable with the class of deposit and with the character of the concessionnaire. The concession could be in the form either of a square, rectangle, pentagon, or hexagon, at the option of the applicant, though the length of the rectangle could not exceed three times the width. Discoveries were divided into two classes, those within and those outside a radius of 5 kilometers from a mine previously registered. In the first case, for lodes, the discoverer was entitled to 36 hectares of superficies, or 84 if a company; in the second case, to 60 hectares, or 108 if a company. The areas of coal, peat, and alluvium mines were tripled.

Ecuador (1886) reestablished the *pertenencia* or unit of measure, but made its form and area variable for different kinds of deposits, of which four are recognized, and established a maximum of 20 units for a single concession, without distinction of either discoverers or companies.

Argentina (1887) also reverted to the *pertenencia*, which in the case of lodes is ordinarily a rectangle 300 by 200 meters, but for steeply inclined deposits (above 45°) the width varies with the dip up to a maximum of 300 meters. For second-class minerals (placers in the legal sense) the area is 20 hectares. The rules here as to the size, shape, and position of different classes of concessions are too complicated for inclusion in this paper.

Chile (1889) employs the term "*pertenencia*" as usual, but rather as the equivalent of a concession, or mining claim in the American sense, than as a unit of measure. It is in the form of a rectangle and for lodes allows a surface area of 1 to 5 hectares, at the option of the applicant, and for coal and other minerals may comprise up to 50 hectares.<sup>9</sup> Discoveries are divided into two distinct classes on the same basis as already noted for Uruguay, but special terms are here employed for the first time to designate them, namely, "discoverers on a known lode" and "discoverers on a virgin lode." Only the latter are entitled to more than one claim, the number being limited to three.<sup>10</sup>

Chile was more or less closely followed in this respect by Honduras, Nicaragua, Guatemala, and Panama. Guatemala drops the special terms for designating the two classes of discoverers, while retaining the 5-kilometer radius; the other three retain the terms and decrease the radius to 4 kilometers. Guatemala increases the area of the *pertenencia* to 10 hectares, while the other three

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9 - By the 1930 code of Chile, coal is worked through a special concession obtained from the executives, and the area is left to his discretion.

10- These provisions were omitted in the 1930 code.

countries leave it at 1 to 5 hectares. Honduras and Nicaragua give it a variable width of from 100 to 200 meters according to the dip (the scale being the same for both countries), and the length is established as a function of the width.

Honduras also authorized the Executive to grant extra-large areas, called mineral zones, "for the purpose of undertaking mining work on a large scale." These were at first (1898) limited to 1,000 hectares, and later (1916) reduced to 200 hectares. A similar provision was included in the codes of Nicaragua (1906) and Panama (1917) but was repealed by Nicaragua five years later.

The provisions of the remaining codes in regard to concessions show a great diversity, as usual. In Peru the unit of measure (*pertenencia*) for coal and placer deposits (gold, platinum, tin, etc.) is a square with a side of 200 meters, and for other deposits a rectangle 200 by 100 meters; a single concession may comprise any number of claims not exceeding 60.

It should be noted, however, that there is no limit to the number of concessions obtainable by the same party, whether an individual person or a company. This is generally true throughout Spanish-America, though certain of the codes restrict such further acquisitions to those arising from gift or purchase - that is, any legal means other than those specially provided by the mining code.

Paraguay (1914) made the unit of area a rectangle 300 by 200 meters, and set a maximum of five units for the concession, except in the case of iron and fuels, when this number could be increased to 10. But Law 698 of 1924 appears to have discarded this unit, at least as regards discoveries, substituting a circle with a radius of 2 kilometers and removing the restriction on the number of units concedible. However, this law does not apply to petroleum.

Salvador (1922) reverts to the division of discoverers into two classes, but on the basis of a 10 kilometer radius from a mine where the same sort of mineral either is or has been produced. Within such radius he is entitled to eight units of measure - the *pertenencia* here having a surface of 1 hectare in the form of a square - and outside that radius to 10 such units on one of the veins and five additional units on each of any others discovered at the same time.

Bolivia also (1925) chose the square-hectare unit, removed the restriction on the number of units that could be acquired in known mining districts, and provided that in districts recently discovered the maximum should be 30 for lodes and 64 for other deposits (excepting petroleum, etc., which are governed by a special law).

The main points to be noted here with reference to Mexico (1926) are that no concessions are granted for more than 30 years, though subject to renewal, and that a minimum production is required in accordance with articles 150 et seq. of the Regulation, designed to "assure the installation of regular work" (Law, art. 33).

Venezuela (1928) established a maximum of 500 hectares for lode concessions, and 2,500 hectares for placers or bedded deposits, each in the form of a square or rectangle, and limited their duration to 90 and 50 years respectively. Table 3 contains data concerning mining concessions.

### RIGHTS OF ALIENS

Only one of the countries of South and Central America imposes any very serious restrictions on aliens in the matter of mine ownership, and that is the one which falls outside the Spanish tradition, namely, Brazil. Here, by an amendment to the Constitution on September, 1926, it was declared that "mines and mineral deposits necessary to the national safety and defense, and the lands where they exist, can not be transferred to aliens." But the question as to just what minerals are embraced in this description seems to be still an open one, through a proposal for a new mining law presented to the Congress in 1927 contained the following list: antimony, chromite, copper, graphite, iron, magnesite, manganese, mercury, mica, monazite, nitrates, pyrites, tin, tungsten, vanadium, coal, and petroleum.

The Costa Rican code (1830) denied to aliens the right to denounce mines except after naturalization or with special permission of the Government, but an executive decree of 1869, confirmed later by article 12 of the Constitution, put aliens on the same footing with nationals in this regard.

Mexico (1926) is the only country which makes a distinction between individual persons and companies. A company is not permitted to acquire mining or exploration concessions from the State, either directly or indirectly, but a person may do so by renouncing the protection of his home government.

Colombia (Law 72 of 1910) makes a local discrimination against aliens, whether individual persons or companies, pending the enactment of a new mining code, with reference to property of the public domain in the regions of Choco and Darien.

In Guatemala none but nationals or naturalized aliens can obtain title to mining land within a zone 3 meters wide along the frontiers (Decree No. 483 of 1894, confirmed by art. 208 of the Mining Code).

Peru has a reserved zone of 50 kilometers along the frontiers, not only as regards "mines" and fuels, but also land and water, but this restriction on alien ownership may be lifted "in case of national necessity" (Constitution, art. 39).

Any restrictions of the other countries in this regard are merely formal and apparently are not designed to prevent aliens from prospecting or mining.

### DISCOVERY AND REVIVING

The general statement may be made that discovery is everywhere the basis of all mining rights with reference to State-owned minerals other than

those which are governed by special laws and apart, of course, from the acquisition of mines by gift or purchase subsequent to the original State grant.

Comparatively few of the codes make any distinction between discoverers and revivers, and those which do are mostly the older ones. Guatemala (1908) and Salvador (1922) each dismiss reviving in a single paragraph by assimilating it to discovery, though Salvador prescribes that in order to be regarded as "old mineral land" and subject to revival the property must have stood abandoned at least 20 years. These later codes revert in this respect, to that of Costa Rica, which is the oldest.

By the Colombian code (1867) the revivers of abandoned mineral lands are subrogated to the rights of the former owners, though the reviver is entitled to only the same number of claims as were delivered to the original discoverer, any excess having to be denounced separately (art. 30).

Argentina (1887), however, devotes a special chapter to the subject of revival (arts. 179-190). An abandoned district is here defined as one in which there has been no formal work for three consecutive years, and those who seek to revive such a district must present a written application to the local mining authority. The reviver is entitled to three claims on the vein of his choice and to two more on each additional vein that he reconditions in due time. The period of time allowed is anywhere from 250 days to about two years, depending on the number of veins and the difficulty of the work.

#### MINING CLAIMS

Only one or two of the countries of South and Central America have anything remotely similar to the apex mining system in vogue in the United States. These are the countries whose codes were enacted prior to the Decree-Bases, - Costa Rica and Colombia, - though in both cases the rule was installed by a special law subsequent to that decree. Costa Rica, in her code of 1830, had followed the Spanish tradition in limiting the mining property by vertical planes passed through the surface boundaries (art. 79). Law 56 of 1902, however, limited the width beneath the surface by two planes parallel to the dip and "constantly following the undulations of the vein at a distance of 84 meters on either side of the line marking its intersection with the plane of the horizon," and enabled the miner, within the established limits, to "work his vein at any depth whatsoever, following its direction, inclination, and variations throughout the course thereof."

The Colombian code of 1867 apparently fails to state just how the mines are to be delimited underground, and it was evidently for the purpose of remedying this omission that in 1875 it was declared that "all mines belong, as far down as they extend, to those who possess them under legitimate title" (art. 50 of Law 292). Even this, however, leaves something to be desired in the way of clarity, unless we are to consider the lode (mine) as an essentially perpendicular formation, in which case there would be no question of passing beyond the side lines. (The width of the claim is 240 meters.)

A somewhat similar system prevails in a few districts of Bolivia, notably Potosi and Machacamarca, where grants had formerly been made of the veins, so that the pertenencia system with its requirement of unlimited depth within vertical planes can not be applied.

In all the other countries - with a few exceptions referred to in the next section (Trespass Working) - the miner is debarred from working beyond the vertical planes passed through his surface boundaries. This restriction, however, is somewhat compensated by the fact that, in general, apart from quarry products (vested in the soil owner) and minerals governed by special laws or worked under contract, the owner of a lode owns also any minerals found within his lines at any depth; though a few of the countries - as, for example, Bolivia, Brazil, and Venezuela - require a new application for working them.

An apparent exception to this rule is Mexico, where all minerals as regards ownership go strictly by groups. So that the owner of a "mine" (first column of Table 1) can exploit any other substances in the same category, whether on the surface or in the subsoil of his concession or lot; and likewise with the concessionaire of placer products (second column of the same table), except that when the concession is for the working of products derived from the decomposition of rocks (residual deposits) this right of accession is limited to that portion of the lot in which the exploitation of these products requires underground working (arts. 19-20).

#### TRESPASS WORKING

In the matter of working into a foreign claim - which, like our law of apex, has led to a great amount of litigation - a large number of the Spanish-American countries have dismissed it rather briefly in the fashion set by Chile in 1889. That is to say, whenever trespass (internacion) is suspected, the neighboring miner applies to the local Judge to have a survey made of the workings next to his mine, and if trespass is shown to have occurred the Judge orders suspension of the work and the affixing of seals at the dividing points, "while the parties air their rights in the proper proceeding." If trespass working is thus shown to have occurred, satisfactory reimbursement must be made for the value of the ore extracted; and the guilty party may be charged with theft if bad faith is proved--a presumption of bad faith existing when the trespass exceeds 10 meters.

Practically the same provisions were later incorporated into the codes of Peru (1900), Paraguay (1914), Bolivia (1925), Honduras (1898), Nicaragua (1906), and Panama (1917), though the latter three were a little more liberal in the length allowed before giving rise to a presumption of bad faith, increasing it to 20 meters. The Venezuelan code (1928) is practically the same on this point, except for a total silence on the presumption of bad faith. Uruguay (1884) and Guatemala (1908), while including the same provisions, except as to the length permissible before a presumption of bad faith, provide further that the work shall not be hindered on land without a known owner (terreno vacante) or on an abandoned mining property; on the contrary, these countries

provide that a new concession (12 and 10 hectares, respectively) shall be granted, or, in case there is not that much land available, a fraction (*demasia*) between other mining properties. Salvador declares that any trespass, whether into an outside claim or into free ground, is presumed to be in bad faith, but any one who in working at a depth the principal vein of his concession enters upon free ground or upon a mining claim which has forfeited legal protection has a preferential right to the concession of five additional claims.

Only Ecuador (1886) and Argentina (1887) really sanction trespass working, but only in one particular instance and to a limited extent. Ecuador allows the registered vein to be followed on its dip into an outside claim until such vein intersects one of the veins of the other claim, after which the miner must withdraw and give notice to the owner of such claim. Argentina merely specifies that the vein must be mineral-bearing or the mineral discovered before leaving the claim, in which case the miner may pass beyond his side lines up to the point where the workings of the two claims communicate; but the notice must be given in advance. Argentina further provides that both the minerals extracted and the costs shall be divided equally between the parties, while in the case of Ecuador it is to be inferred that there is no sharing of either.

The Ecuador code, moreover, contains two other important provisions on this subject. One of these - the right of increase - is somewhat similar to that mentioned in connection with Uruguay and Guatemala. The ground must be either vacant or abandoned, but the amplification is specifically in the direction in which the miner left the side line and to an extent equal to that traversed horizontally by the working up to the point of exit (art. 89). The second of these provisions (art. 84) is to the effect that when the registered vein crosses a foreign claim, it can be worked on the other side of such claim, provided it can be identified and the necessary right of way required in conformity with article 119.

In other respects, the provisions of the Ecuador code regarding trespass working are practically the same as those of Chile.

In the two most recent codes - those of Mexico and Venezuela - the practice is not sanctioned in any form. The subject is briefly despatched by granting a right of inspection and survey and of appeal to the courts.

#### FORFEITURE, WORK REQUIREMENTS, ETC.

The various ways in which a concession may expire, with special reference to the work and fixed-capital requirements, are now to be discussed.

A few statements of more or less general applicability may first be made:

1. The ordinary mining concession (leaving out of consideration minerals subject to special laws or requiring a contract for their exploitation) is in perpetuity. It is no doubt significant that the only exceptions to this rule among the Spanish-American countries are the two with the most recent codes, namely, Mexico and Venezuela.

2. Nearly all of the codes provide for relinquishment, at least partial relinquishment, the only exceptions being Chile and Nicaragua.

3. The only countries with a fixed-capital requirement are Uruguay (Amendatory Law of March 4, 1913) and Argentina (which substituted the fixed-capital for the work requirement by Law 10,273 of Nov. 12, 1917).

4. In general, the concession is forfeited for nonpayment of the annual rent or surface tax (usually for one year); though in two of the countries, Costa Rica and Guatemala, and possibly also in Salvador, this form of mine taxation is not employed. In practically all cases of forfeiture, however, the property is either sold at auction and the net proceeds turned over to the former owner, or it is subject to denouncement by a third party, who pays to the former owner the appraised value of the improvements, machinery, supplies, etc. In Argentina, however, no indemnity can be claimed for improvements or "works," and machinery, tools, etc., can be taken away by the miner only in case there are no mortgages or privileged creditors. The amendatory law of Argentina (1917) resembles that of Uruguay (1913) in providing for an auction sale of the property in case of failure to pay the fixed rent, while denouncement remains as the proper procedure for abandoned mines; but Uruguay goes further in providing that in the lack of bidders the former owner may recover the mine by complying with the usual legal requirements.

In Guatemala, however, no surface tax is levied. The concessionnaire pays a fixed amount (25 pesos per hectare) for his property in advance. And in Costa Rica, the only contribution is based on production.

Paraguay fails to state in its law (the regulation of which has apparently not been issued) what happens in such cases. But here we have a production tax also, and nonpayment is heavily penalized (art. 203).

The code of Salvador contains no provision on the subject, nor does it fix the taxes to be levied. The whole matter is left to the Executive (art. 198), but at the time this paper was prepared no information was available as to whether he had made use of this power.

There is greater diversity of rulings as to the work to be performed on the property, but most of the countries make no definite requirements. Argentina, as already noted, abolished its work requirements in 1917 after they had been in force for 30 years, and Uruguay appears to have done likewise in its amendatory law of 1913 (art. 9), both countries establishing in lieu thereof a fixed capital requirement. Honduras, on the other hand, after a period of 18 years reestablished the work requirement in 1916. Besides Honduras, only the following countries have work requirements: Costa Rica, Guatemala, Paraguay (except, for discoverers, the first 5 years), Salvador, Brazil, and Mexico. Salvador, however, prescribes no definite rules for determining the sufficiency of the work, the question reducing to one of "reasonableness" within a period of six months. In the other countries mentioned (apart from Mexico, already referred to, and Brazil, where it is simply a matter of suspension or complete lack of mining activity) it depends on the number of workmen and days of work.

Table 4 shows the causes and procedure of forfeiture as observed in the various countries.

TABLE 4 - Forfeiture of Mining Concessions

| Country    | Causes                                                                 | Procedure                         | Remarks                                                                                                                                                                                                                                        |
|------------|------------------------------------------------------------------------|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ARGENTINE  | 1. Noncompliance with fixed capital requirement.                       | Auction for cause (2).            | Proceeds turned over to former owner after deducting rental due, costs and (unless there are mortgage or privileged creditors) 10 per cent additional.                                                                                         |
| BOLIVIA    | 2. Nonpayment of fixed rent<br>Nonpayment of fixed rent.               | Improvements sold to denouncer.   | Proceeds to former owner after deducting rental due and interest.                                                                                                                                                                              |
| BRAZIL     | 1. Insufficient work.<br>2. Nonpayment of fixed rent<br>3. Incapacity. | Indemnification for improvements. | Any sums and the price of any materials received as favors from the Government are deducted from the proceeds.                                                                                                                                 |
| CHILE      | Nonpayment of fixed rent.                                              | Auction.                          | Sale may be prevented by paying double the amount due. Proceeds to former owner after deducting amount due and costs. One year allowed owner for claiming improvements.                                                                        |
| COLOMBIA   | Nonpayment of fixed rent.                                              | Denouncement.                     | Improvements ("houses, machinery, furniture tools, etc.") remain the property of the former owner. (Art. 344.)                                                                                                                                 |
| COSTA RICA | Insufficient work.                                                     | Denouncement.                     | Improvements of which the owner can make further use are to be paid for at expert appraisal (art. 49.)                                                                                                                                         |
| ECUADOR    | Nonpayment of fixed rent.                                              | Auction.                          | Proceeds to former owner after deducting amount due and costs. Sale may be prevented by paying twice the amount due.                                                                                                                           |
| GUATEMALA  | Insufficient work.                                                     | Denouncement.                     | The denouncer must either turn over to the former owner, or purchase at expert appraisal, the machinery, tools, works, provisions, etc., which can be removed without detriment (art. 104.)                                                    |
| HONDURAS   | 1. Insufficient work.<br>2. Nonpayment of fixed rent                   | Denouncement.                     | The denouncer must either turn over to the former owner, or purchase at expert appraisal, the machinery, tools, works, provisions, etc., which can be removed without detriment (art. 104.)                                                    |
| MEXICO     | 1. Insufficient production<br>2. Nonpayment of fixed rent              | Undetermined (art. 171).          |                                                                                                                                                                                                                                                |
| NICARAGUA  | Nonpayment of fixed rent                                               | Auction.                          | Proceeds to former owner after deducting twice the amount due and costs. Sale may be prevented by paying twice the rental due.                                                                                                                 |
| PANAMA     | Nonpayment of fixed rent.                                              | Auction.                          | Proceeds to former owner after deducting amount due and costs. Sale may be prevented by paying the expenses and three times the rental due.                                                                                                    |
| PARAGUAY   | Insufficient work.                                                     | Denouncement.                     | Machinery, tools, etc., may be recovered, except when there is failure to give notice of abandonment.                                                                                                                                          |
| PERU       | Nonpayment of fixed rent.                                              | Denouncement.                     | Nothing said regarding improvements, etc.                                                                                                                                                                                                      |
| SALVADOR   | Insufficient work.<br>Noncompliance with regulations.                  | Denouncement.                     | Buildings, machinery tools, etc., must be sold to the denouncer at a price fixed by agreement or expert appraisal.                                                                                                                             |
| URUGUAY    | 1. Noncompliance with fixed capital requirement.                       | Requirement for cause (1).        | The denouncer must, at former owner's option, either deliver or pay the appraised value of machinery, tools, supplies, etc., removable without detriment. Surface tax is levied for first 18 months only (period for investing fixed capital). |
|            | 2. Nonpayment of fixed rent                                            | Auction for cause (2).            |                                                                                                                                                                                                                                                |
| VENEZUELA  | Nonpayment of fixed rent.                                              | Auction.                          | Proceeds to former owner after deducting amount due, costs, and wages and salaries. Sale may be prevented by paying amount due, expenses and 5 per cent additional.                                                                            |